

LEGISLATURE OF THE STATE OF IDAHO
Sixty-third Legislature First Regular Session - 2015

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 28

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO LEVY AND APPORTIONMENT OF TAXES; AMENDING SECTION 63-802, IDAHO CODE, TO PROVIDE A CODE REFERENCE AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 63-802, IDAHO CODE, AS ADDED BY SECTION 12, CHAPTER 339, LAWS OF 2012, TO PROVIDE A CORRECT CODE REFERENCE AND TO MAKE TECHNICAL CORRECTIONS; AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-802, Idaho Code, be, and the same is hereby amended to read as follows:

63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES -- EXCEPTIONS. (1) Except as provided in subsections (3) and (4) of this section, no taxing district shall certify a budget request for an amount of property tax revenues to finance an annual budget that exceeds the greater of paragraphs (a) through (i) of this subsection inclusive:

(a) The dollar amount of property taxes certified for its annual budget for any one (1) of the three (3) tax years preceding the current tax year, whichever is greater, for the past tax year, which amount may be increased by a growth factor of not to exceed three percent (3%) plus the amount of revenue calculated as described in this subsection. Multiply the levy of the previous year, not including any levy described in subsection (4) of this section, or any school district levy reduction resulting from a distribution of state funds pursuant to section 63-3638(11) or (13), Idaho Code, by the value shown on the new construction roll compiled pursuant to section 63-301A, Idaho Code; and by the value of annexation during the previous calendar year, as certified by the state tax commission for market values of operating property of public utilities and by the county assessor;

(b) The dollar amount of property taxes certified for its annual budget during the last year in which a levy was made;

(c) The dollar amount of the actual budget request, if the taxing district is newly created except as may be provided in subsection (1) (h) of this section;

(d) In the case of school districts, the restriction imposed in section 33-802, Idaho Code;

(e) In the case of a nonschool district for which less than the maximum allowable increase in the dollar amount of property taxes is certified for annual budget purposes in any one (1) year, such a district may, in any following year, recover the foregone increase by certifying, in addition to any increase otherwise allowed, an amount not to exceed one hundred percent (100%) of the increase originally foregone. Said additional amount shall be included in future calculations for increases as allowed;

1 (f) In the case of cities, if the immediately preceding year's levy
2 subject to the limitation provided by this section, is less than 0.004,
3 the city may increase its budget by an amount not to exceed the differ-
4 ence between 0.004 and actual prior year's levy multiplied by the prior
5 year's market value for assessment purposes. The additional amount
6 must be approved by sixty percent (60%) of the voters voting on the ques-
7 tion at an election called for that purpose and held on the date in May or
8 November provided by law, and may be included in the annual budget of the
9 city for purposes of this section;

10 (g) A taxing district may submit to the electors within the district
11 the question of whether the budget from property tax revenues may be
12 increased beyond the amount authorized in this section, but not beyond
13 the levy authorized by statute. The additional amount must be approved
14 by sixty-six and two-thirds percent (66 2/3%) or more of the voters
15 voting on the question at an election called for that purpose and held
16 on the May or November dates provided by section 34-106, Idaho Code.
17 If approved by the required minimum sixty-six and two-thirds percent
18 (66 2/3%) of the voters voting at the election, the new budget amount
19 shall be the base budget for the purposes of this section;

20 (h) When a nonschool district consolidates with another nonschool
21 district or dissolves and a new district performing similar governmen-
22 tal functions as the dissolved district forms with the same boundaries
23 within three (3) years, the maximum amount of a budget of the district
24 from property tax revenues shall not be greater than the sum of the
25 amounts that would have been authorized by this section for the district
26 itself or for the districts that were consolidated or dissolved and in-
27 corporated into a new district;

28 (i) In the instance or case of cooperative service agencies, the re-
29 strictions imposed in sections 33-315 through 33-318, Idaho Code.

30 (2) In the case of fire districts, during the year immediately follow-
31 ing the election of a public utility or public utilities to consent to be pro-
32 vided fire protection pursuant to section 31-1425, Idaho Code, the maximum
33 amount of property tax revenues permitted in subsection (1) of this section
34 may be increased by an amount equal to the current year's taxable value of the
35 consenting public utility or public utilities multiplied by that portion of
36 the prior year's levy subject to the limitation provided by subsection (1) of
37 this section.

38 (3) No board of county commissioners shall set a levy, nor shall the
39 state tax commission approve a levy for annual budget purposes, which ex-
40 ceeds the limitation imposed in subsection (1) of this section, unless au-
41 thority to exceed such limitation has been approved by a majority of the tax-
42 ing district's electors voting on the question at an election called for that
43 purpose and held pursuant to section 34-106, Idaho Code, provided however,
44 that such voter approval shall be for a period of not to exceed two (2) years.

45 (4) The amount of property tax revenues to finance an annual budget does
46 not include revenues from nonproperty tax sources, and does not include rev-
47 enue from levies to satisfy judgments pursuant to section 63-1305A, Idaho
48 Code, and revenue from levies that are voter approved for bonds, override
49 levies or supplemental levies, plant facilities reserve fund levies, school
50 emergency fund levies or for levies applicable to newly annexed property or

1 for levies applicable to new construction as evidenced by the value of prop-
 2 erty subject to the occupancy tax pursuant to section 63-317, Idaho Code, for
 3 the preceding tax year.

4 SECTION 2. That Section 63-802, Idaho Code, as added by Section 12,
 5 Chapter 339, Laws of 2012, be, and the same is hereby amended to read as fol-
 6 lows:

7 63-802. LIMITATION ON BUDGET REQUESTS -- LIMITATION ON TAX CHARGES --
 8 EXCEPTIONS. (1) Except as provided in subsection (3) of this section, no tax-
 9 ing district shall certify a budget request for an amount of property tax
 10 revenues to finance an annual budget that exceeds the greater of paragraphs
 11 (a) through (i) of this subsection inclusive:

12 (a) The dollar amount of property taxes certified for its annual bud-
 13 get for any one (1) of the three (3) tax years preceding the current tax
 14 year, whichever is greater, for the past tax year, which amount may be
 15 increased by a growth factor of not to exceed three percent (3%) plus
 16 the amount of revenue calculated as described in this subsection. Mul-
 17 tiply the levy of the previous year, not including any levy described
 18 in subsection (4) of this section, or any school district levy reduc-
 19 tion resulting from a distribution of state funds pursuant to section
 20 63-3638(11) or (13), Idaho Code, by the value shown on the new construc-
 21 tion roll compiled pursuant to section 63-301A, Idaho Code; and by the
 22 value of annexation during the previous calendar year, as certified by
 23 the state tax commission for market values of operating property of pub-
 24 lic utilities and by the county assessor;

25 (b) The dollar amount of property taxes certified for its annual budget
 26 during the last year in which a levy was made;

27 (c) The dollar amount of the actual budget request, if the taxing dis-
 28 trict is newly created except as may be provided in subsection (1) (h) of
 29 this section;

30 (d) In the case of school districts, the restriction imposed in section
 31 33-802, Idaho Code;

32 (e) In the case of a nonschool district for which less than the maximum
 33 allowable increase in the dollar amount of property taxes is certified
 34 for annual budget purposes in any one (1) year, such a district may, in
 35 any following year, recover the foregone increase by certifying, in ad-
 36 dition to any increase otherwise allowed, an amount not to exceed one
 37 hundred percent (100%) of the increase originally foregone. Said addi-
 38 tional amount shall be included in future calculations for increases as
 39 allowed;

40 (f) In the case of cities, if the immediately preceding year's levy
 41 subject to the limitation provided by this section, is less than 0.004,
 42 the city may increase its budget by an amount not to exceed the differ-
 43 ence between 0.004 and actual prior year's levy multiplied by the prior
 44 year's market value for assessment purposes. The additional amount
 45 must be approved by sixty percent (60%) of the voters voting on the ques-
 46 tion at an election called for that purpose and held on the date in May or
 47 November provided by law, and may be included in the annual budget of the
 48 city for purposes of this section;

(g) A taxing district may submit to the electors within the district the question of whether the budget from property tax revenues may be increased beyond the amount authorized in this section, but not beyond the levy authorized by statute. The additional amount must be approved by sixty-six and two-thirds percent (66 2/3%) or more of the voters voting on the question at an election called for that purpose and held on the May or November dates provided by section 34-106, Idaho Code. If approved by the required minimum sixty-six and two-thirds percent (66 2/3%) of the voters voting at the election, the new budget amount shall be the base budget for the purposes of this section;

(h) When a nonschool district consolidates with another nonschool district or dissolves and a new district performing similar governmental functions as the dissolved district forms with the same boundaries within three (3) years, the maximum amount of a budget of the district from property tax revenues shall not be greater than the sum of the amounts that would have been authorized by this section for the district itself or for the districts that were consolidated or dissolved and incorporated into a new district;

(i) In the instance or case of cooperative service agencies, the restrictions imposed in sections 33-315 through 33-318, Idaho Code.

(2) In the case of fire districts, during the year immediately following the election of a public utility or public utilities to consent to be provided fire protection pursuant to section 31-1425, Idaho Code, the maximum amount of property tax revenues permitted in subsection (1) of this section may be increased by an amount equal to the current year's taxable value of the consenting public utility or public utilities multiplied by that portion of the prior year's levy subject to the limitation provided by subsection (1) of this section.

(3) No board of county commissioners shall set a levy, nor shall the state tax commission approve a levy for annual budget purposes, which exceeds the limitation imposed in subsection (1) of this section, unless authority to exceed such limitation has been approved by a majority of the taxing district's electors voting on the question at an election called for that purpose and held pursuant to section 34-106, Idaho Code, provided however, that such voter approval shall be for a period of not to exceed two (2) years.

(4) The amount of property tax revenues to finance an annual budget does not include revenues from nonproperty tax sources, and does not include revenue from levies that are voter approved for bonds, override levies or supplemental levies, plant facilities reserve fund levies, school emergency fund levies or for levies applicable to newly annexed property or for levies applicable to new construction as evidenced by the value of property subject to the occupancy tax pursuant to section 63-317, Idaho Code, for the preceding tax year.

SECTION 3. Section 2 of this act shall be in full force and effect on and after July 1, 2017.